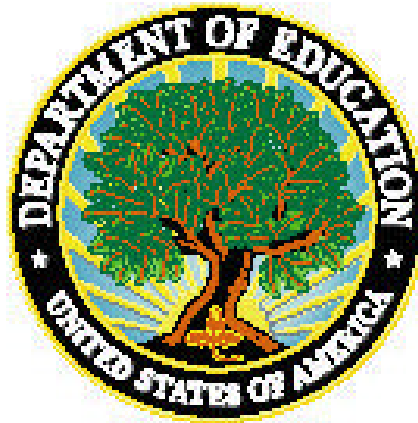# SFA Modernization Partner Project
LEGACY CONTRACT TRANSITION PLAN

Federal Family Education Loans (FFEL)

Part 1
System Write-up

FEDERAL FAMILY EDUCATION LOANS (FFEL)

CONTRACT: FFEL (Federal Family Education Loans) –
Stafford/Perkins Loan System
CHANNEL: Financial Partners
BUSINESS MANAGER: Barry Morrow
COTR: Anna Allen
CONTRACTOR: Raytheon
CONTRACT NUMBER: PM-92-0010-01
CONTRACT AWARD DATE: April 30, 1992
CONTRACT EXPIRATION DATE: September 30, 1999
(Note – Contract extended (sole source extension through September 30, 2000)
ANNUAL CONTRACT COSTS: $ 25 million

FFEL, which was developed in the 1960's, is the system used to collect information on FFEL (Stafford and Perkins Loans) (information includes borrower's name and SSN as well as loan information) and to distribute this information to other users – NSLDS, CFO, etc. Raytheon inputs info to the system at its facility in Greenville, TX. Raytheon performs any development to the system from its facility in Falls Church, VA. The system is used for accounting and reconciliation of FFEL funding. Also tracks lender and GA transaction processing (note - information is 85% electronic and 15% hard copy – must be input into system). Utilized by DCS for default collection management. Operates a Customer Service Call Center in Greenville, TX, which is used by schools, borrowers, DCS, collection agencies, lenders and GA's. Actual system operated from Meridan, CT (VDC).

FFEL FUNCTIONS

Document Handling: Receives and processes claims from lenders and GA's for "turn-over" of defaulted loans to Dept. of Education. (Forms include 799, 1130 and 1199).

Customer Service- Students, Schools and Financial Partners: Operates a Customer Service Call Center in Greenville, TX, which is used by schools, borrowers, DCS, collection agencies, lenders and GA's. Accounting and reconciliation for FFEL funding and transactions, as well as lender and GA transaction processing. Performs "skip tracing" for IRS and processes Dept. of Justice claims.

FMS: Manages Default Debt Accounting on all defaulted loans.

Default Collections and Lockbox: Provides lockbox for collection Defaulted Loan Collections.

WHO USES FFEL?

External Users:
- Lenders
- Guaranty Agencies
- Collection Agencies

- Dept. of Justice
- IRS

Internal Users:
- NSLDS
- CFO
- Debt Collection Contract

ANNUAL CONTRACT COST – OFSA FUNCTION PERCENTAGES

The annual contract costs for DMS are approximately $25 million. The approximate percentages and annual cost for the base OFSA functions (as outlined in the OFSA Contracts/functions Matrix) are as follows:

Document Handling	?%	$ million
FDA & Lockbox	?%	$ million
Customer Service – Schools	?%	$ million
Customer Service – Students	?%	$ million
Customer Service – Lenders & GA's	?%	$ million
Analytical/ Management Support	?%	$ million

PLANNED ENHANCEMENTS

None

PROBLEMS

- Contract extension expires September 30, 2000.

PLANS

It is anticipated at this time that the contract requirements will extend through December 2001, however the decision has not yet been made whether to recompete this contract or to issue a sole source extension to the current contract.